

AMENDED IN SENATE MAY 4, 2006

AMENDED IN SENATE APRIL 20, 2006

**SENATE BILL**

**No. 1266**

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**Introduced by Senator Perata**

*(Principal coauthor: Assembly Member Nunez)*

February 9, 2006

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~~An act to amend Section 42238.51 of the Education Code, relating to public schools. An act to add Chapter 12.49 (commencing with Section 8879.20) to Division 1 of Title 2 of the Government Code, relating to transportation, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, as amended, Perata. ~~Charter schools: funding.~~ *Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006.*

*Existing law provides various funding sources for transportation and related purposes.*

*This bill, subject to voter approval at the November 7, 2006, statewide general election, would enact the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes, including high-priority transportation corridor improvements, State Route 99 corridor enhancements, trade infrastructure and port security projects, schoolbus retrofit and replacement purposes, state transportation improvement program augmentation, transit and passenger rail improvements, state-local*

*partnership transportation projects, transit security projects, local bridge seismic retrofit projects, highway-railroad grade separation and crossing improvement projects, state highway safety and rehabilitation projects, and local street and road improvement, congestion relief, and traffic safety.*

*This bill would declare that it is to take effect immediately as an urgency statute.*

~~Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a prescribed formula, and requires, for purposes of that apportionment, that average daily attendance be calculated, as prescribed.~~

~~Existing law requires a school district to compute the fiscal year average daily attendance, as specified.~~

~~Existing law requires a sponsoring school district to compute its average daily attendance by computing the sponsoring school district's regular average daily attendance in the current year, excluding all attendance of pupils in charter schools, and by computing the sponsoring school district's 2nd principal apportionment regular average daily attendance for the prior year, excluding all attendance of pupils who either attended a charter school in the prior year or who attended one or more noncharter schools of the school district between July 1 and the last day of the 2nd period, inclusive, in the prior year, and attended a charter school sponsored by the school district between July 1 and the last day of the 2nd period, inclusive, in the current year.~~

~~The bill would provide that for the purposes of the above computation, a pupil enrolled in a grade at a charter school sponsored by the school district shall not be counted if the school district does not offer classes for pupils enrolled in that grade. The bill would also, for the purpose of that computation, prohibit the amount of the attendance counted for any pupil to be greater than the attendance claimed for that pupil by the charter school in the current year.~~

~~The bill would compute the attendance of pupils who attended a charter school sponsored by the school district in the prior year and who attended one or more noncharter schools of the school district in the current year. The bill would, for the purposes of that computation, prohibit the amount of the attendance counted for any pupil to be greater than the attendance claimed for that pupil by the school district in the current year.~~

~~The bill would make additional specified calculations and findings based upon the above computation, as specified.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Chapter 12.49 (commencing with Section*  
2     *8879.20) is added to Division 1 of Title 2 of the Government*  
3     *Code, to read:*

4  
5             *CHAPTER 12.49. THE HIGHWAY SAFETY, TRAFFIC*  
6     *REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF*  
7                             *2006*  
8

9             *Article 1. General Provisions*  
10

11     8879.20. (a) *This chapter shall be known as the Highway*  
12     *Safety, Traffic Reduction, Air Quality, and Port Security Bond*  
13     *Act of 2006.*

14     (b) *This chapter shall only become operative upon adoption by*  
15     *the voters at the November 7, 2006, statewide general election.*

16     8879.22. *As used in this chapter, the following terms have the*  
17     *following meanings:*

18     (a) *“Board” means any department receiving an allocation of*  
19     *bond proceeds pursuant to this chapter.*

20     (b) *“Committee” means the Highway Safety, Traffic*  
21     *Reduction, Air Quality, and Port Security Committee created*  
22     *pursuant to Section 8879.27.*

23     (c) *“Fund” means the Highway Safety, Traffic Reduction, Air*  
24     *Quality, and Port Security Fund of 2006 created pursuant to*  
25     *Section 8879.23.*  
26

27             *Article 2. Highway Safety, Traffic Reduction, Air Quality, and*  
28             *Port Security Fund of 2006 and Program*  
29

30     8879.23. *The Highway Safety, Traffic Reduction, Air Quality,*  
31     *and Port Security Fund of 2006 is hereby created in the State*  
32     *Treasury. The Legislature intends that the proceeds of bonds*  
33     *deposited in the fund shall be used to fund the mobility, safety,*

1 *and air quality improvements described in this article over the*  
2 *course of the next decade. The proceeds of bonds issued and sold*  
3 *pursuant to this chapter for the purposes specified in this chapter*  
4 *shall be allocated in the following manner:*

5 *(a) (1) Four billion five hundred million dollars*  
6 *(\$4,500,000,000) shall be deposited in the Corridor Mobility*  
7 *Improvement Account, which is hereby created in the fund.*  
8 *Funds in the account shall be available to the California*  
9 *Transportation Commission, upon appropriation in the annual*  
10 *Budget Bill by the Legislature, for allocation for performance*  
11 *improvements on highly congested travel corridors in California.*  
12 *Funds in the account shall be used for performance*  
13 *improvements on the state highway system, or major access*  
14 *routes to the state highway system on the local road system that*  
15 *relieve congestion by expanding capacity, enhancing operations,*  
16 *or otherwise improving travel times within these high-congestion*  
17 *travel corridors, as identified by the department and regional or*  
18 *local transportation agencies, pursuant to the process in*  
19 *paragraph (3) or (4), as applicable.*

20 *(2) The commission shall develop and adopt guidelines, by*  
21 *December 1, 2006, including regional programming targets, for*  
22 *the program funded by this subdivision, and shall allocate funds*  
23 *from the account to projects after reviewing project nominations*  
24 *submitted by the Department of Transportation and by regional*  
25 *transportation planning agencies or county transportation*  
26 *commissions or authorities pursuant to paragraph (4).*

27 *(3) Subject to the guidelines adopted pursuant to paragraph*  
28 *(2), the department shall nominate, by no later than January 15,*  
29 *2007, projects for the allocation of funds from the account on a*  
30 *statewide basis. The department's nominations shall be*  
31 *geographically balanced and shall reflect the department's*  
32 *assessment of a program that best meets the policy objectives*  
33 *described in paragraph (1).*

34 *(4) Subject to the guidelines adopted pursuant to paragraph*  
35 *(2), a regional transportation planning agency or county*  
36 *transportation commission or authority responsible for*  
37 *preparing a regional transportation improvement plan under*  
38 *Section 14527 may nominate projects identified pursuant to*  
39 *paragraph (1) that best meet the policy objectives described in*  
40 *that paragraph for funding from the account. Projects nominated*

1 *pursuant to this paragraph shall be submitted to the commission*  
2 *for consideration for funding by no later than January 15, 2007.*

3 *(5) All nominations to the California Transportation*  
4 *Commission shall be accompanied by documentation regarding*  
5 *the quantitative and qualitative measures validating each*  
6 *project's consistency with the policy objectives described in*  
7 *paragraph (1). All projects nominated to the commission for*  
8 *funds from this account shall be included in a regional*  
9 *transportation plan.*

10 *(6) After review of the project nominations, and supporting*  
11 *documentation, the commission, by no later than March 1, 2007,*  
12 *shall adopt an initial program of projects to be funded from the*  
13 *account. This program may be updated every two years in*  
14 *conjunction with the biennial process for adoption of the state*  
15 *transportation improvement program pursuant to guidelines*  
16 *adopted by the commission. The inclusion of a project in the*  
17 *program shall be based on a demonstration that the project*  
18 *meets all of the following criteria:*

19 *(A) Is a high-priority project in the corridor as demonstrated*  
20 *by either of the following: (i) its inclusion in the list of nominated*  
21 *projects by both the department pursuant to paragraph (3) and*  
22 *the regional transportation planning agency or county*  
23 *transportation commission or authority, pursuant to paragraph*  
24 *(4); or (ii) if needed to fully fund the project, the identification*  
25 *and commitment of supplemental funding to the project from*  
26 *other state, local, or federal funds.*

27 *(B) Can commence construction or implementation no later*  
28 *than December 31, 2012.*

29 *(C) Improves mobility in a high-congestion corridor by*  
30 *improving travel times or reducing the number of daily vehicle*  
31 *hours of delay, improves the connectivity of the state highway*  
32 *system between rural, suburban, and urban areas, or improves*  
33 *the operation or safety of a highway or road segment.*

34 *(D) Improves access to jobs, housing, markets, and commerce.*

35 *(7) Where competing projects offer similar mobility*  
36 *improvements to a specific corridor, the commission shall*  
37 *consider additional benefits when determining which project*  
38 *shall be included in the program for funding. These benefits shall*  
39 *include, but are not limited to, the following:*

1 (A) A finding that the project provides quantifiable air quality  
2 benefits.

3 (B) A finding that the project substantially increases the safety  
4 for travelers in the corridor.

5 (8) In adopting a program for funding pursuant to this  
6 subdivision, the commission shall make a finding that the  
7 program is (i) geographically balanced, consistent with the  
8 geographic split for funding described in Section 188 of the  
9 Streets and Highways Code; (ii) provides mobility improvements  
10 in highly traveled or highly congested corridors in all regions of  
11 California; and (iii) targets bond proceeds in a manner that  
12 provides the increment of funding necessary, when combined  
13 with other state, local or federal funds, to provide the mobility  
14 benefit in the earliest possible timeframe.

15 (9) The commission shall include in its annual report to the  
16 Legislature, required by Section 14535, a summary of its  
17 activities related to the administration of this program. The  
18 summary should, at a minimum, include a description and the  
19 location of the projects contained in the program, the amount of  
20 funds allocated to each project, the status of each project, and a  
21 description of the mobility improvements the program is  
22 achieving.

23 (b) One billion dollars (\$1,000,000,000) shall be made  
24 available, upon appropriation in the annual Budget Bill by the  
25 Legislature, to the department for improvements to State Route  
26 99. Funds may be used for safety, operational enhancements,  
27 rehabilitation, or capacity improvements necessary to improve  
28 the State Route 99 Corridor traversing approximately 400 miles  
29 of the central valley of this state.

30 (c) Three billion one hundred million dollars (\$3,100,000,000)  
31 shall be deposited in the California Ports Infrastructure,  
32 Security, and Air Quality Improvement Account, which is hereby  
33 created in the fund. The money in the account shall be available,  
34 upon appropriation by the Legislature and subject to such  
35 conditions and criteria as the Legislature may provide by statute,  
36 as follows:

37 (1) (A) Two billion dollars (\$2,000,000,000) shall be  
38 transferred to the Trade Corridors Improvement Fund, which is  
39 hereby created. The money in this fund shall be available, upon  
40 appropriation in the annual Budget Bill by the Legislature and

1 *subject to such conditions and criteria as the Legislature may*  
2 *provide by statute, for allocation by the California*  
3 *Transportation Commission for infrastructure improvements*  
4 *along federally designated "Trade Corridors of National*  
5 *Significance" in this state or along other corridors within this*  
6 *state that have a high volume of freight movement, as determined*  
7 *by the commission. In determining projects eligible for funding,*  
8 *the commission shall consult the trade infrastructure and goods*  
9 *movement plan submitted to the commission by the Secretary of*  
10 *Business, Transportation and Housing and the Secretary for*  
11 *Environmental Protection. No moneys shall be allocated from*  
12 *this fund until the report is submitted to the commission for its*  
13 *consideration, provided the report is submitted no later than*  
14 *January 1, 2007. The commission shall also consult trade*  
15 *infrastructure and goods movement plans adopted by regional*  
16 *transportation planning agencies, adopted regional*  
17 *transportation plans required by state and federal law, and the*  
18 *statewide port master plan prepared by the California Marine*  
19 *and Intermodal Transportation System Advisory Council*  
20 *(Cal-MITSAC) pursuant to Section 1760 of the Harbors and*  
21 *Navigation Code, when determining eligible projects for funding.*  
22 *Eligible projects for these funds include, but are not limited to,*  
23 *all of the following:*

24 *(i) Highway capacity improvements and operational*  
25 *improvements to more efficiently accommodate the movement of*  
26 *freight, particularly for ingress and egress to and from the state's*  
27 *seaports, including navigable inland waterways used to transport*  
28 *freight between seaports, land ports of entry, and airports, and to*  
29 *relieve traffic congestion along major trade or goods movement*  
30 *corridors.*

31 *(ii) Freight rail system improvements to enhance the ability to*  
32 *move goods from seaports, land ports of entry, and airports to*  
33 *warehousing and distribution centers throughout California,*  
34 *including projects that separate rail lines from highway or local*  
35 *road traffic, improve freight rail mobility through mountainous*  
36 *regions, relocate rail switching yards, and other projects that*  
37 *improve the efficiency and capacity of the rail freight system.*

38 *(iii) Projects to enhance the capacity and efficiency of ports.*

39 *(iv) Truck corridor improvements, including dedicated truck*  
40 *facilities or truck toll facilities.*

1 (v) *Border access improvements that enhance goods*  
2 *movement between California and Mexico and that maximize the*  
3 *state's ability to access coordinated border infrastructure funds*  
4 *made available to the state by federal law.*

5 (vi) *Surface transportation improvements to facilitate the*  
6 *movement of goods to and from the state's airports.*

7 (B) *The commission shall allocate funds for trade*  
8 *infrastructure improvements from the account in a manner that*  
9 *(i) addresses the state's most urgent needs, (ii) balances the*  
10 *demands of various ports (between large and small ports, as well*  
11 *as between seaports, airports, and land ports of entry), (iii)*  
12 *provides reasonable geographic balance between the state's*  
13 *regions, and (iv) places emphasis on projects that improve trade*  
14 *corridor mobility while reducing emissions of diesel particulate*  
15 *and other pollutant emissions. In addition, the commission shall*  
16 *also consider the following factors when allocating these funds:*

17 (i) *"Velocity," which means the speed by which large cargo*  
18 *would travel from the port through the distribution system.*

19 (ii) *"Throughput," which means the volume of cargo that*  
20 *would move from the port through the distribution system.*

21 (iii) *"Reliability," which means a reasonably consistent and*  
22 *predictable amount of time for cargo to travel from one point to*  
23 *another on any given day or at any given time in California.*

24 (iv) *"Congestion reduction," which means the reduction in*  
25 *recurrent daily hours of delay to be achieved.*

26 (C) *The commission shall allocate funds made available by*  
27 *this paragraph to projects that have identified and committed*  
28 *supplemental funding from appropriate local, federal or private*  
29 *sources. The commission shall determine the appropriate amount*  
30 *of supplemental funding each project should have to be eligible*  
31 *for moneys from this fund based on a project-by-project review*  
32 *and an assessment of the project's benefit to the state and the*  
33 *program. Except for border access improvements described in*  
34 *clause (v) of subparagraph (A), improvements funded with*  
35 *moneys from this fund shall have supplemental funding that is at*  
36 *least equal to the amount of the contribution from the fund. The*  
37 *commission may give priority for funding to projects with higher*  
38 *levels of committed supplemental funding.*

39 (D) *The commission shall include in its annual report to the*  
40 *Legislature, required by Section 14535, a summary of its*



1 *activities related to the administration of this program. The*  
2 *summary should, at a minimum, include a description and the*  
3 *location of the projects contained in the program, the amount of*  
4 *funds allocated to each project, the status of each project, and a*  
5 *description of the mobility and air quality improvements the*  
6 *program is achieving.*

7 *(2) One billion dollars (\$1,000,000,000) shall be made*  
8 *available, upon appropriation by the Legislature and subject to*  
9 *such conditions and criteria contained in a statute enacted by the*  
10 *Legislature, to the State Air Resources Board for emission*  
11 *reductions, not otherwise required by law or regulation, from*  
12 *activities related to the movement of freight along California's*  
13 *trade corridors. Funds made available by this paragraph are*  
14 *intended to supplement existing funds used to finance strategies*  
15 *and public benefit projects that reduce emissions and improve air*  
16 *quality in trade corridors commencing at the state's airports,*  
17 *seaports, and land ports of entry.*

18 *(3) One hundred million dollars (\$100,000,000) shall be*  
19 *available, upon appropriation by the Legislature, to the Office of*  
20 *Emergency Services to be allocated, as grants, for port, harbor,*  
21 *and ferry terminal security improvements. Eligible applicants*  
22 *shall be publicly owned ports, harbors, and ferryboat and ferry*  
23 *terminal operators, which may submit applications for projects*  
24 *that include, but are not limited to, the following:*

25 *(A) Video surveillance equipment.*

26 *(B) Explosives detection technology, including, but not limited*  
27 *to, X-ray devices.*

28 *(C) Cargo scanners.*

29 *(D) Radiation monitors.*

30 *(E) Thermal protective equipment.*

31 *(F) Site identification instruments capable of providing a*  
32 *fingerprint for a broad inventory of chemical agents.*

33 *(G) Other devices capable of detecting weapons of mass*  
34 *destruction using chemical, biological, or other similar*  
35 *substances.*

36 *(H) Other security equipment to assist in any of the following:*

37 *(i) Screening of incoming vessels, trucks, and incoming or*  
38 *outbound cargo.*

39 *(ii) Monitoring the physical perimeters of harbors, ports, and*  
40 *ferry terminals.*

1 (iii) Providing or augmenting onsite emergency response  
2 capability.

3 (I) Overweight cargo detection equipment, including, but not  
4 limited to, intermodal crane scales and truck weight scales.

5 (J) Developing disaster preparedness or emergency response  
6 plans.

7 The Office of Emergency Services shall report to the  
8 Legislature on March 1 of each year on the manner in which the  
9 funds available pursuant to this paragraph were expended for  
10 that fiscal year.

11 (d) Two hundred million dollars (\$200,000,000) shall be  
12 available, upon appropriation by the Legislature, for schoolbus  
13 retrofit and replacement to reduce air pollution and to reduce  
14 children's exposure to diesel exhaust.

15 (e) Two billion dollars (\$2,000,000,000) shall be available for  
16 projects in the state transportation improvement program, to  
17 augment funds otherwise available for this purpose from other  
18 sources. The funds provided by this subdivision shall be  
19 deposited in the Transportation Facilities Account which is  
20 hereby created in the fund, and shall be available, upon  
21 appropriation by the Legislature, to the Department of  
22 Transportation, as allocated by the California Transportation  
23 Commission in the same manner as funds allocated for those  
24 projects under existing law.

25 (f) (1) Four billion dollars (\$4,000,000,000) shall be  
26 deposited in the Public Transportation Modernization,  
27 Improvement, and Service Enhancement Account, which is  
28 hereby created in the fund. Funds in the account shall be made  
29 available, upon appropriation by the Legislature, to the  
30 Department of Transportation for intercity rail projects and to  
31 commuter or urban rail operators, bus operators, waterborne  
32 transit operators, and other transit operators in California for  
33 rehabilitation, safety or modernization improvements, capital  
34 service enhancements or expansions, new capital projects, bus  
35 rapid transit improvements, or for rolling stock procurement,  
36 rehabilitation, or replacement.

37 (2) Of the funds made available in paragraph (1), four  
38 hundred million dollars (\$400,000,000) shall be available, upon  
39 appropriation by the Legislature, to the department for intercity  
40 rail improvements, of which one hundred twenty-five million

1 dollars (\$125,000,000) shall be used for the procurement of  
2 additional intercity railcars and locomotives.

3 (3) Of the funds remaining after the allocations in paragraph  
4 (2), 50 percent shall be distributed to the Controller, for  
5 allocation to eligible agencies using the formula in Section  
6 99314 of the Public Utilities Code, and 50 percent shall be  
7 distributed to the Controller, for allocation to eligible agencies  
8 using the formula in Section 99313 of the Public Utilities Code,  
9 subject to the provisions governing funds allocated under those  
10 sections.

11 (g) One billion dollars (\$1,000,000,000) shall be deposited in  
12 the State-Local Partnership Program Account, which is hereby  
13 created in the fund. The funds shall be available, upon  
14 appropriation by the Legislature and subject to such conditions  
15 and criteria as the Legislature may provide by statute, for  
16 allocation by the California Transportation Commission over a  
17 five-year period to eligible transportation projects nominated by  
18 an applicant transportation agency. A dollar for dollar match of  
19 local funds shall be required for an applicant transportation  
20 agency to receive state funds under this program.

21 (h) One billion dollars (\$1,000,000,000) shall be deposited in  
22 the Transit System Safety, Security, and Disaster Response  
23 Account, which is hereby created in the fund. Funds in the  
24 account shall be made available, upon appropriation by the  
25 Legislature and subject to such conditions and criteria as the  
26 Legislature may provide by statute, for capital projects that  
27 provide increased protection against a security and safety threat,  
28 and for capital expenditures to increase the capacity of transit  
29 operators, including waterborne transit operators, to develop  
30 disaster response transportation systems that can move people,  
31 goods, and emergency personnel and equipment in the aftermath  
32 of a disaster impairing the mobility of goods, people, and  
33 equipment.

34 (i) One hundred twenty-five million dollars (\$125,000,000)  
35 shall be deposited in the Local Bridge Seismic Retrofit Account,  
36 which is hereby created in the fund. The funds in the account  
37 shall be used, upon appropriation by the Legislature, to provide  
38 the 11.5 percent required match for federal Highway Bridge  
39 Replacement and Repair funds available to the state for seismic

1 work on local bridges, ramps, and overpasses, as identified by  
2 the Department of Transportation.

3 (j) (1) Two hundred fifty million dollars (\$250,000,000) shall  
4 be deposited in the Highway-Railroad Crossing Safety Account,  
5 which is hereby created in the fund. Funds in the account shall  
6 be available, upon appropriation by the Legislature, to the  
7 Department of Transportation for the completion of high-priority  
8 grade separation and railroad crossing safety improvements.  
9 Funds in the account shall be made available for allocation  
10 pursuant to the process established in Chapter 10 (commencing  
11 with Section 2450) of Division 3 of the Streets and Highways  
12 Code, except that a dollar for dollar match of nonstate funds  
13 shall be provided for each project, and the limitation on  
14 maximum project cost in subdivision (g) of Section 2454 of the  
15 Streets and Highways Code shall not be applicable to projects  
16 funded with these funds.

17 (2) Notwithstanding the funding allocation process described  
18 in paragraph (1), in consultation with the department and the  
19 Public Utilities Commission, the California Transportation  
20 Commission shall allocate one hundred million dollars  
21 (\$100,000,000) of the funds in the account to high-priority  
22 railroad crossing improvements, including grade separation  
23 projects, that are not part of the process established in Chapter  
24 10 (commencing with Section 2450) of Division 3 of the Streets  
25 and Highways Code. The allocation of funds under this  
26 paragraph shall be made in consultation and coordination with  
27 the High-Speed Rail Authority created pursuant to Division 19.5  
28 (commencing with Section 185000) of the Public Utilities Code.

29 (k) (1) Seven hundred fifty million dollars (\$750,000,000)  
30 shall be deposited in the Highway Safety, Rehabilitation, and  
31 Preservation Account, which is hereby created in the fund. Funds  
32 in the account shall be available, upon appropriation by the  
33 Legislature, to the Department of Transportation, as allocated by  
34 the California Transportation Commission, for the purposes of  
35 the state highway operation and protection program as described  
36 in Section 14526.5.

37 (2) The department shall develop a program for distribution of  
38 two hundred and fifty million dollars (\$250,000,000) from the  
39 funds identified in paragraph (1) to fund traffic light  
40 synchronization projects or other technology-based

1 *improvements to improve safety, operations and the effective*  
2 *capacity of local streets and roads.*

3 *(l) (1) Two billion dollars (\$2,000,000,000) shall be deposited*  
4 *in the Local Streets and Road Improvement, Congestion Relief,*  
5 *and Traffic Safety Account of 2006, which is hereby created in*  
6 *the fund. The proceeds of bonds deposited into that account shall*  
7 *be available, upon appropriation by the Legislature, for the*  
8 *purposes specified in this subdivision to the Controller for*  
9 *administration and allocation in the fiscal year in which the*  
10 *bonds are issued and sold, including any interest or other return*  
11 *earned on the investment of those moneys, in the following*  
12 *manner:*

13 *(A) Fifty percent to the counties, including a city and county,*  
14 *in accordance with the following formulas:*

15 *(i) Seventy-five percent of the funds payable under this*  
16 *subparagraph shall be apportioned among the counties in the*  
17 *proportion that the number of fee-paid and exempt vehicles that*  
18 *are registered in the county bears to the number of fee-paid and*  
19 *exempt vehicles registered in the state*

20 *(ii) Twenty-five percent of the funds payable under this*  
21 *subparagraph shall be apportioned among the counties in the*  
22 *proportion that the number of miles of maintained county roads*  
23 *in each county bears to the total number of miles of maintained*  
24 *county roads in the state. For the purposes of apportioning funds*  
25 *under this clause, any roads within the boundaries of a city and*  
26 *county that are not state highways shall be deemed to be county*  
27 *roads.*

28 *(B) Fifty percent to the cities, including a city and county,*  
29 *apportioned among the cities in the proportion that the total*  
30 *population of the city bears to the total population of all the*  
31 *cities in the state, provided, however, that the Controller shall*  
32 *allocate a minimum of four hundred thousand dollars (\$400,000)*  
33 *to each city, pursuant to this subparagraph.*

34 *(2) Funds received under this subdivision shall be deposited*  
35 *as follows in order to avoid the commingling of those funds with*  
36 *other local funds:*

37 *(A) In the case of a city, into the city account that is*  
38 *designated for the receipt of state funds allocated for local*  
39 *streets and roads.*

40 *(B) In the case of an eligible county, into the county road fund.*

1 (C) In the case of a city and county, into a local account that  
2 is designated for the receipt of state funds allocated for local  
3 streets and roads.

4 (3) For the purpose of allocating funds under this subdivision  
5 to cities and a city and county, the Controller shall use the most  
6 recent population estimates prepared by the Demographic  
7 Research Unit of the Department of Finance. For a city that  
8 incorporated after January 1, 1998, that does not appear on the  
9 most recent population estimates prepared by the Demographic  
10 Research Unit, the Controller shall use the population  
11 determined for that city under Section 11005.3 of the Revenue  
12 and Taxation Code.

13 (4) Funds apportioned to a city, county, or city and county  
14 under this subdivision shall be used for improvements to  
15 transportation facilities that will assist in reducing local traffic  
16 congestion and further deterioration, improving traffic flows, or  
17 increasing traffic safety that may include, but not be limited to,  
18 street and highway pavement maintenance, rehabilitation,  
19 installation, construction and reconstruction of necessary  
20 associated facilities such as drainage and traffic control devices,  
21 or the maintenance, rehabilitation, installation, construction and  
22 reconstruction of facilities that expand ridership on transit  
23 systems, safety projects to reduce fatalities, or as a local match  
24 to obtain state or federal transportation funds for similar  
25 purposes.

26 (5) At the conclusion of each fiscal year during which a city or  
27 county expends the funds it has received under this subdivision,  
28 the Controller may verify the city's or county's compliance with  
29 paragraph (4). Any city or county that has not complied with  
30 paragraph (4) shall reimburse the state for the funds it received  
31 during that fiscal year. Any funds withheld or returned as a  
32 result of a failure to comply with paragraph (4) shall be  
33 reallocated to the other counties and cities whose expenditures  
34 are in compliance.

### 35 Article 3. Fiscal Provisions

36  
37  
38 8879.25. Bonds in the total amount of nineteen billion nine  
39 hundred twenty-five million dollars (\$19,925,000,000), exclusive  
40 of refunding bonds, or so much thereof as is necessary, are

1 *hereby authorized to be issued and sold for carrying out the*  
2 *purposes expressed in this chapter and to reimburse the General*  
3 *Obligation Bond Expense Revolving Fund pursuant to Section*  
4 *16724.5. All bonds herein authorized which have been duly sold*  
5 *and delivered as provided herein shall constitute valid and*  
6 *legally binding general obligations of the state, and the full faith*  
7 *and credit of the state is hereby pledged for the punctual payment*  
8 *of both principal and interest thereof.*

9 *8879.26. The bonds authorized by this chapter shall be*  
10 *prepared, executed, issued, sold, paid, and redeemed as provided*  
11 *in the State General Obligation Bond Law (Chapter 4*  
12 *(commencing with Section 16720) of Part 3 of Division 4), except*  
13 *subdivision (a) of Section 16727 to the extent that subdivision is*  
14 *inconsistent with this chapter, and all of the other provisions of*  
15 *that law as amended from time to time apply to the bonds and to*  
16 *this chapter and are hereby incorporated in this chapter as*  
17 *though set forth in full in this chapter.*

18 *8879.27. (a) Solely for the purpose of authorizing the*  
19 *issuance and sale, pursuant to the State General Obligation*  
20 *Bond Law, of the bonds authorized by this chapter, the Highway*  
21 *Safety, Traffic Reduction, Air Quality, and Port Security*  
22 *Committee is hereby created. For the purposes of this chapter,*  
23 *the Highway Safety, Traffic Reduction, Air Quality, and Port*  
24 *Security Committee is “the committee” as that term is used in the*  
25 *State General Obligation Bond Law. The committee consists of*  
26 *the Treasurer, the Controller, the Director of Finance, and the*  
27 *Secretary of the Business, Transportation and Housing Agency,*  
28 *or a designated representative of each of those officials. The*  
29 *Treasurer shall serve as the chairperson of the committee. A*  
30 *majority of the committee may act for the committee.*

31 *(b) The committee may adopt guidelines establishing*  
32 *requirements for administration of its financing programs to the*  
33 *extent necessary to protect the validity of, and tax exemption for,*  
34 *interest on the bonds. The guidelines shall not constitute rules,*  
35 *regulations, orders, or standards of general application.*

36 *(c) For the purposes of the State General Obligation Bond*  
37 *Law, any department receiving an allocation pursuant to this*  
38 *chapter is designated to be the “board.”*

39 *8879.28. Upon request of the board stating that funds are*  
40 *needed for purposes of this chapter, the committee shall*

1 *determine whether or not it is necessary or desirable to issue*  
2 *bonds authorized pursuant to this chapter in order to carry out*  
3 *the actions specified in Section 8879.23, and, if so, the amount of*  
4 *bonds to be issued and sold. Successive issues of bonds may be*  
5 *authorized and sold to carry out those actions progressively, and*  
6 *are not required to be sold at any one time. Bonds may bear*  
7 *interest subject to federal income tax.*

8 8879.29. *There shall be collected annually, in the same*  
9 *manner and at the same time as other state revenue is collected,*  
10 *a sum of money in addition to the ordinary revenues of the state,*  
11 *sufficient to pay the principal of, and interest on, the bonds as*  
12 *provided herein, and all officers required by law to perform any*  
13 *duty in regard to the collections of state revenues shall collect*  
14 *that additional sum.*

15 8879.30. *Notwithstanding Section 13340, there is hereby*  
16 *appropriated from the General Fund in the State Treasury, for*  
17 *the purposes of this chapter, an amount that will equal the total*  
18 *of the following:*

19 (a) *The sum annually necessary to pay the principal of, and*  
20 *interest on, bonds issued and sold pursuant to this chapter, as the*  
21 *principal and interest become due and payable.*

22 (b) *The sum which is necessary to carry out Section 8879.32,*  
23 *appropriated without regard to fiscal years.*

24 8879.31. *The board may request the Pooled Money*  
25 *Investment Board to make a loan from the Pooled Money*  
26 *Investment Account, in accordance with Section 16312, for*  
27 *purposes of this chapter. The amount of the request shall not*  
28 *exceed the amount of the unsold bonds which the committee has,*  
29 *by resolution, authorized to be sold for the purpose of this*  
30 *chapter, less any amount withdrawn pursuant to Section 8879.32.*  
31 *The board shall execute any documents as required by the*  
32 *Pooled Money Investment Board to obtain and repay the loan.*  
33 *Any amount loaned shall be deposited in the fund to be allocated*  
34 *in accordance with this chapter.*

35 8879.32. *For the purpose of carrying out this chapter, the*  
36 *Director of Finance may, by executive order, authorize the*  
37 *withdrawal from the General Fund of any amount or amounts*  
38 *not to exceed the amount of the unsold bonds which the*  
39 *committee has, by resolution, authorized to be sold for the*  
40 *purpose of carrying out this chapter. Any amounts withdrawn*



1 shall be deposited in the Highway Safety, Traffic Reduction, Air  
2 Quality, and Port Security Fund of 2006. Any money made  
3 available under this section shall be returned to the General  
4 Fund, plus the interest that the amounts would have earned in the  
5 Pooled Money Investment Account, from money received from  
6 the sale of bonds which would otherwise be deposited in that  
7 fund.

8 8879.33. The bonds may be refunded in accordance with  
9 Article 6 (commencing with Section 16780) of the State General  
10 Obligation Bond Law. Approval by the electors of this act shall  
11 constitute approval of any refunding bonds issued pursuant to the  
12 State General Obligation Bond Law.

13 8879.34. Notwithstanding any provisions in the State General  
14 Obligation Bond Law, the maximum maturity of any bonds  
15 authorized by this chapter shall not exceed 30 years from the  
16 date of each respective series. The maturity of each series shall  
17 be calculated from the date of each series.

18 8879.35. The Legislature hereby finds and declares that,  
19 inasmuch as the proceeds from the sale of bonds authorized by  
20 this chapter are not “proceeds of taxes” as that term is used in  
21 Article XIII B of the California Constitution, the disbursement of  
22 these proceeds is not subject to the limitations imposed by that  
23 article.

24 8879.36. Notwithstanding any provision of the State General  
25 Obligation Bond Law with regard to the proceeds from the sale  
26 of bonds authorized by this chapter that are subject to investment  
27 under Article 4 (commencing with Section 16470) of Chapter 3 of  
28 Part 2 of Division 4, the Treasurer may maintain a separate  
29 account for investment earnings, order the payment of those  
30 earnings to comply with any rebate requirement applicable  
31 under federal law, and may otherwise direct the use and  
32 investment of those proceeds so as to maintain the tax-exempt  
33 status of those bonds and to obtain any other advantage under  
34 federal law on behalf of the funds of this state.

35 8879.37. All money derived from premium and accrued  
36 interest on bonds sold pursuant to this chapter shall be  
37 transferred to the General Fund as a credit to expenditures for  
38 bond interest.

39 SEC. 2. Section 1 of this act shall become operative upon the  
40 adoption by the voters of the Highway Safety, Traffic Reduction,

1 *Air Quality, and Port Security Bond Act of 2006, as set forth in*  
2 *Section 1 of this act.*

3 *SEC. 3. Notwithstanding Sections 13115 and 13117 of the*  
4 *Elections Code, the following measures shall be placed on the*  
5 *ballot for the November 7, 2006, statewide general election in*  
6 *the following order:*

7 *(a) Senate Constitutional Amendment No. 7 of the 2005–2006*  
8 *Regular Session shall be placed first on the ballot and shall be*  
9 *designated as Proposition 1A.*

10 *(b) The Highway Safety, Traffic Reduction, Air Quality, and*  
11 *Port Security Bond Act of 2006 shall be placed second on the*  
12 *ballot and shall be designated as Proposition 1B.*

13 *(c) The Housing and Emergency Shelter Trust Fund Act of*  
14 *2006 shall be placed third on the ballot and shall be designated*  
15 *as Proposition 1C.*

16 *(d) The Kindergarten-University Public Education Facilities*  
17 *Bond Act of 2006 shall be placed fourth on the ballot and shall*  
18 *be designated as Proposition 1D.*

19 *(e) The Disaster Preparedness and Flood Prevention Bond Act*  
20 *of 2006 shall be placed fifth on the ballot and shall be designated*  
21 *as Proposition 1E.*

22 *SEC. 4. (a) Notwithstanding any other provision of law, all*  
23 *ballots of the November 7, 2006, statewide general election shall*  
24 *have printed thereon and in a square thereof, the words*  
25 *“Highway Safety, Traffic Reduction, Air Quality, and Port*  
26 *Security Bond Act of 2006,” and in the same square under those*  
27 *words, the following in 8-point type:*

28 *“This act makes safety improvements and repairs to state*  
29 *highways, upgrades freeways to reduce congestion, repairs local*  
30 *streets and roads, upgrades highways along major*  
31 *transportation corridors, improves seismic safety of local*  
32 *bridges, expands public transit, helps complete the state’s*  
33 *network of car pool lanes, reduces air pollution, and improves*  
34 *anti-terrorism security at shipping ports by providing for a bond*  
35 *issue not to exceed nineteen billion nine hundred twenty-five*  
36 *million dollars (\$19,925,000,000).”*

37 *Opposite the square, there shall be left spaces in which the*  
38 *voters may place a cross in the manner required by law to*  
39 *indicate whether they vote for or against the act.*

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the bond act in Section 1 of this act to be submitted to the voters at the November 7, 2006, statewide general election, it is necessary for this act to take effect immediately.

SECTION 1. ~~Section 42238.51 of the Education Code is amended to read:~~

~~42238.51. For purposes of paragraph (1) of subdivision (a) of Section 42238.5, a sponsoring school district's average daily attendance shall be computed as follows:~~

~~(a) Compute the sponsoring school district's regular average daily attendance in the current year, excluding all attendance of pupils in charter schools.~~

~~(b) (1) Compute the regular average daily attendance used to calculate the second principal apportionment of the school district for the prior year, excluding all attendance of pupils in charter schools.~~

~~(2) Compute the attendance of pupils who attended one or more noncharter schools of the school district between July 1, and the last day of the second period, inclusive, in the prior year, and who attended a charter school sponsored by the school district between July 1, and the last day of the second period, inclusive, in the current year. For the purposes of this paragraph, a pupil enrolled in a grade at a charter school sponsored by the~~

1 school district shall not be counted if the school district does not  
2 offer classes for pupils enrolled in that grade. The amount of the  
3 attendance counted for any pupil for the purpose of this  
4 paragraph may not be greater than the attendance claimed for that  
5 pupil by the charter school in the current year.

6 (3) ~~Compute the attendance of pupils who attended a charter~~  
7 ~~school sponsored by the school district in the prior year and who~~  
8 ~~attended one or more noncharter schools of the school district in~~  
9 ~~the current year. The amount of the attendance counted for any~~  
10 ~~pupil for the purpose of this paragraph may not be greater than~~  
11 ~~the attendance claimed for that pupil by the school district in the~~  
12 ~~current year.~~

13 (4) ~~From the amount determined pursuant to paragraph (2)~~  
14 ~~subtract the amount determined pursuant to paragraph (3). If the~~  
15 ~~result is less than zero, the amount shall be deemed to be zero.~~

16 (5) ~~The prior year average daily attendance determined~~  
17 ~~pursuant to paragraph (1) shall be reduced by the amount~~  
18 ~~determined pursuant to paragraph (4).~~

19 (e) ~~To the greater of the amounts computed pursuant to~~  
20 ~~subdivisions (a) and (b), add the regular average daily attendance~~  
21 ~~in the current year of all pupils attending charter schools~~  
22 ~~sponsored by the district that are not funded pursuant to Article 2~~  
23 ~~(commencing with Section 47633) of Chapter 6 of Part 26.~~

24 (d) ~~For the purposes of this section, a “sponsoring school~~  
25 ~~district” shall mean a “sponsoring local educational agency,” as~~  
26 ~~defined in Section 47632.~~